
HOUSE BILL No. 1139

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-14-10; IC 8-14.5; IC 8-23-3-11.

Synopsis: Grant anticipation revenue bonds. Authorizes the transportation finance authority to issue bonds or notes secured by lease rentals relating to highway improvement projects and anticipated to be paid by the department of transportation from federal transportation revenues received in the current federal fiscal year or to be received in a future federal fiscal year. Limits the total amount of the lease rentals securing the bonds or notes to 50% of the increase in the amount of federal transportation revenues received by the state since the federal fiscal year ending September 30, 2004. Provides that when issuing the bonds or notes, the authority is subject to certain rules concerning minority and women's business participation. Makes conforming changes.

Effective: July 1, 2005.

Van Haaften

January 11, 2005, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1139

A BILL FOR AN ACT to amend the Indiana Code concerning transportation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 8-14-10-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. The department may use the money in the fund only to pay the following costs:

(1) The cost of construction or reconstruction of a state highway.

(2) The cost of acquisition of all land, rights-of-way, property, rights, easements, and any other legal or equitable interests acquired by the department for the construction or reconstruction of a state highway, including the cost of any relocations incident to the acquisition.

(3) The cost of demolishing or removing any buildings, structures, or improvements on property acquired by the department for the construction or reconstruction of a state highway.

(4) Engineering and legal expenses, and the costs of plans, specifications, surveys, estimates, and any necessary feasibility studies.

(5) Payment of rentals and performance of other obligations under contracts or leases ~~relating to projects~~ **securing bonds issued**



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under ~~IC 8-14.5~~. **IC 8-14.5-6.**

SECTION 2. IC 8-14-10-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The crossroads 2000 fund is established for the purpose of constructing or reconstructing state highways. The crossroads 2000 fund consists of distributions received under IC 9-29-1-2, IC 9-29-15-1, IC 9-29-15-3, and IC 9-29-15-4.

(b) The crossroads 2000 fund shall be administered by the department. The treasurer of state shall invest the money in the crossroads 2000 fund not currently needed to meet the obligations of the crossroads 2000 fund in the same manner as other public funds may be invested.

(c) Money in the crossroads 2000 fund at the end of a state fiscal year does not revert to the state general fund.

(d) The department may use the money in the crossroads 2000 fund only to pay the following costs:

(1) The cost of construction or reconstruction of a state highway.

(2) The cost of acquisition of all land, rights-of-way, property, rights, easements, and any other legal or equitable interests acquired by the department for the construction or reconstruction of a state highway, including the cost of any relocations incident to the acquisition.

(3) The cost of demolishing or removing any buildings, structures, or improvements on property acquired by the department for the construction or reconstruction of a state highway.

(4) Engineering and legal expenses and the costs of plans, specifications, surveys, estimates, and any necessary feasibility studies.

(5) Payment of rentals and performance of other obligations under contracts or leases ~~relating to projects securing bonds issued under IC 8-14.5~~. **IC 8-14.5-6.**

SECTION 3. IC 8-14-10-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 10. (a) The grant anticipation fund is established to construct and reconstruct state highways. The grant anticipation fund consists of distributions of federal transportation revenues (as defined in IC 8-14.5-7-1) made under IC 8-23-3-11.**

(b) The grant anticipation fund shall be administered by the department. The treasurer of state shall invest the money in the grant anticipation fund not currently needed to meet the obligations of the grant anticipation fund in the same manner as other public funds may be invested. Interest that accrues from

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these investments shall be deposited in the grant anticipation fund.

(c) Money in the grant anticipation fund at the end of a state fiscal year does not revert to the state general fund.

(d) The department may use the money in the grant anticipation fund only to pay the following costs:

(1) The cost of construction or reconstruction of a highway improvement project.

(2) The cost of acquisition of all land, rights-of-way, property, rights, easements, and any other legal or equitable interests acquired by the department for the construction or reconstruction of a highway improvement project, including the cost of any relocations incident to the acquisition.

(3) The cost of demolishing or removing any buildings, structures, or improvements on property acquired by the department for the construction or reconstruction of a highway improvement project.

(4) Engineering and legal expenses and the costs of plans, specifications, surveys, estimates, and any necessary feasibility studies.

(5) Payment of rentals and performance of other obligations under contracts or leases relating to highway improvement projects securing grant anticipation revenue bonds or notes issued under IC 8-14.5-7. However, amounts in the grant anticipation fund may not be pledged to such payments.

(e) A holder of grant anticipation revenue bonds or notes issued under IC 8-14.5-7 may not compel the payment of federal transportation revenues to the department.

SECTION 4. IC 8-14.5-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. "Bonds" refers to bonds of the authority issued under IC 8-14.5-6 **or IC 8-14.5-7**.

SECTION 5. IC 8-14.5-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. "Notes" refers to notes of the authority issued under IC 8-14.5-6 **or IC 8-14.5-7** and includes any evidences of indebtedness of the authority except bonds.

SECTION 6. IC 8-14.5-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. The department shall pay lease rentals for leases entered into under this chapter **and securing bonds issued under IC 8-14.5-6** from revenues transferred to the state highway road construction and improvement fund or the crossroads 2000 fund before making any other disbursements from those ~~revenues~~ **funds. The department shall pay lease rentals for leases entered into under this chapter and securing grant**

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1 anticipation revenue bonds or notes issued under IC 8-14.5-7 from
 2 federal transportation revenues (as defined in IC 8-14.5-7-1)
 3 transferred to the grant anticipation fund before making any other
 4 disbursements from the grant anticipation fund.

5 SECTION 7. IC 8-14.5-7 IS ADDED TO THE INDIANA CODE
 6 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2005]:

8 **Chapter 7. Grant Anticipation Revenue Bonds and Notes**

9 **Sec. 1. As used in this chapter, "federal transportation**
 10 **revenues" means:**

11 (1) money and obligation authority apportioned or allocated,
 12 or anticipated to be apportioned or allocated in the current
 13 federal fiscal year or a future federal fiscal year, to Indiana
 14 by the United States Department of Transportation under 23
 15 U.S.C., as amended, for use on a project; or

16 (2) other federal money that may be used for a project and is
 17 available or anticipated to be available in the current federal
 18 fiscal year or a future federal fiscal year.

19 **Sec. 2. As used in this chapter, "grant anticipation revenue**
 20 **bond" or "grant anticipation revenue note" means a bond or note,**
 21 **respectively, secured by lease rentals relating to highway**
 22 **improvement projects and anticipated to be paid from federal**
 23 **transportation revenues deposited in the grant anticipation fund.**

24 **Sec. 3. As used in this chapter, "highway improvement project"**
 25 **means a project for which the department may use federal**
 26 **transportation revenues.**

27 **Sec. 4. The authority may, by resolution, issue grant anticipation**
 28 **revenue bonds or notes for any purpose that is authorized by**
 29 **IC 8-14.5-6 and for which the department may use federal**
 30 **transportation revenues. When issuing grant anticipation revenue**
 31 **bonds or notes, the authority is subject to the provisions of**
 32 **25 IAC 5 concerning equal opportunities for minority business**
 33 **enterprises and women's business enterprises to participate in**
 34 **procurement and contracting processes.**

35 **Sec. 5. (a) Before grant anticipation revenue bonds or notes may**
 36 **be issued under this chapter, the department shall prepare a**
 37 **revenue declaration providing a specified amount or percentage of**
 38 **federal transportation revenues received by the state during a state**
 39 **fiscal year to be deposited in the grant anticipation fund and the**
 40 **number of years the deposits shall be made. A revenue declaration**
 41 **prepared under this section is subject to approval of the budget**
 42 **agency and the authority.**

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(b) The total amount of lease rentals securing grant anticipation revenue bonds or notes issued under this chapter and scheduled to be paid during any state fiscal year, determined as of the date of issuance of each series of grant anticipation revenue bonds or notes, may not exceed an amount equal to fifty percent (50%) of the remainder of:

(1) the total amount of federal transportation revenues apportioned or allocated to the department during the federal fiscal year immediately preceding the state fiscal year in which the series of bonds or notes is issued; minus

(2) seven hundred thirty-four million eight hundred fifty thousand three hundred ninety dollars (\$734,850,390), which is the total amount of federal transportation revenues apportioned or allocated to the department during the federal fiscal year beginning October 1, 2003, and ending September 30, 2004.

(c) All other provisions of IC 8-14.5-6 apply to the issuance of grant anticipation revenue bonds or notes under this chapter.

Sec. 6. Grant anticipation revenue bonds or notes:

(1) constitute the corporate obligations of the authority;

(2) do not constitute an indebtedness of the state within the meaning or application of any constitutional provision or limitation; and

(3) are payable solely as to both principal and interest from:

(A) the revenues from a lease to the department, if any;

(B) proceeds of bonds or notes, if any; or

(C) investment earnings on proceeds of bonds or notes, if any.

SECTION 8. IC 8-23-3-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 11. Notwithstanding any other provision of this chapter, if grant anticipation revenue bonds or notes have been issued under IC 8-14.5-7, the department shall collect or cause to be collected federal transportation revenues (as defined in IC 8-14.5-7-1) and shall, as provided by the department in the revenue declaration relating to the issuance of the grant anticipation revenue bonds or notes, deposit or cause to be deposited the specified part of the federal transportation revenues in the grant anticipation fund.**

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